



TT VISION HOLDINGS BERHAD
(Company No. 1273046-H)
(Incorporated in Malaysia under the Companies Act, 2016)

**UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE SECOND HALF YEAR ENDED 31 DECEMBER 2019**

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES").

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY TT VISION HOLDINGS BERHAD. SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

TT Vision Holdings Berhad(Company No. 1273046-H)
(Incorporated in Malaysia under the Companies Act, 2016)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	31-Dec-19 RM'000	31-Dec-18 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	32,761	23,692
Intangible assets	4,340	3,234
Total non-current assets	37,101	26,926
Current assets		
Inventories	10,308	6,666
Current tax assets	368	-
Trade and other receivables	5,755	14,566
Cash and bank balances	8,935	7,540
Total current assets	25,366	28,772
TOTAL ASSETS	62,467	55,698
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	41,550	34,350
Other reserves	(10,073)	(10,073)
Retained earnings	11,799	16,479
TOTAL EQUITY	43,276	40,756

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019 (cont'd)**

	31-Dec-19 RM'000	31-Dec-18 RM'000
Non-current liabilities		
Loans and borrowings	3,590	572
Deferred income	673	914
Deferred tax liabilities	4,429	4,109
Total non-current liabilities	8,692	5,595
Current liabilities		
Loans and borrowings	248	326
Current tax liabilities	35	49
Trade and other payables	10,216	8,972
Total current liabilities	10,499	9,347
TOTAL LIABILITIES	19,191	14,942
TOTAL EQUITY AND LIABILITIES	62,467	55,698
Net asset per share (RM)	0.11	0.12

Net assets per share is calculated based on the Company's number of issued shares at the end of the relevant reporting period of 383,500,000 ordinary shares as at 31 December 2019 and 343,500,000 ordinary shares as at 31 December 2018.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND HALF YEAR ENDED 31 DECEMBER 2019

	Individual 6 Months Ended		Cumulative 12 Months Ended	
	31-Dec-19 RM'000	31-Dec-18 RM'000	31-Dec-19 RM'000	31-Dec-18 RM'000
Revenue	5,160	N/A	20,660	N/A
Cost of sales	(5,788)	N/A	(16,574)	N/A
Gross profit	(628)	N/A	4,086	N/A
Other income	275	N/A	990	N/A
Distribution expenses	(258)	N/A	(696)	N/A
Administrative expenses	(3,798)	N/A	(7,589)	N/A
Research and development expenses	(542)	N/A	(990)	N/A
Other operating expenses	-	-	-	-
Operating profit/(loss)	(4,951)	N/A	(4,199)	N/A
Finance costs	(91)	N/A	(126)	N/A
Profit/(loss) before tax	(5,042)	N/A	(4,325)	N/A
Income tax expense	(248)	N/A	(355)	N/A
Profit/(loss) for the financial period	(5,290)	N/A	(4,680)	N/A
Total comprehensive income for the financial period	(5,290)	N/A	(4,680)	N/A
Basic Earnings/(Loss) Per Share ⁽¹⁾ (sen)	(1.38)	N/A	(1.26)	N/A

Notes:-

- (1) Earnings per share are computed based on weighted average number of shares of 383,500,000 ordinary shares for the individual 6 months ended and 371,006,849 for the cumulative 12 months ended 31 December 2019 respectively. Further, there are no diluted potential equity instruments that would give a diluted effect to the basic earnings per share.

N/A Not applicable. (Please refer to Note A1)

TT Vision Holdings Berhad(Company No. 1273046-H)
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES OF EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

-----Attributable to the owners of the Company-----

Group	Share capital RM'000	Reorganisation reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total Equity RM'000
At 1 Jan 2019	34,350	(22,939)	12,866	16,479	40,756
Profit for the financial period representing total comprehensive income for the financial period	-	-	-	(4,680)	(4,680)
Transaction with owners					
Issuances of new ordinary shares	7,200	-	-	-	7,200
Total transaction with owners	7,200	-	-	-	7,200
At 31 DECEMBER 2019	41,550	(22,939)	12,866	11,799	43,276

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED 31 DECEMBER 2019**

	31-Dec-19 RM'000	31-Dec-18 RM'000
Cash flows from operating activities		
Profit/(loss) before tax	(4,325)	N/A
Adjustments for:		
Amortisation and depreciation of property, plant and equipment	1,677	N/A
Amortisation of deferred income	(242)	N/A
Amortisation of intangible assets	962	N/A
Grant income received	(561)	N/A
Interest expenses	126	N/A
Interest income	(37)	N/A
Unrealised (gain)/loss on foreign exchange	2	N/A
Operating profit/(loss) before working capital changes	(2,398)	N/A
Changes in working capital:		
Inventories	(3,643)	N/A
Receivables	8,145	N/A
Payables	1,249	N/A
Net cash flows generated from operations	3,353	N/A
Income tax(paid) /refund	284	N/A
Net cash flows from operating activities	3,637	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019 (cont'd)

	31-Dec-19 RM'000	31-Dec-18 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,746)	N/A
Purchase of intangible assets	(2,069)	N/A
Grants received	561	N/A
Net cash flows (used in)/from investing activities	(12,254)	N/A
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	7,200	N/A
Net changes of finance lease liabilities & term loan:	2,942	N/A
Interests paid	(126)	N/A
Interests received	37	N/A
Net cash flows (used in)/from financing activities	10,053	N/A
Net (decrease)/increase in cash and cash equivalents	1,436	N/A
Cash and bank balances at the beginning of the financial year/period	7,540	N/A
Effects of exchange rate changes on cash and bank balances	(41)	N/A
Cash and bank balances at the end of the financial year/period	8,935	N/A

N/A Not applicable.

PART A – EXPLANATORY NOTES TO THE SECOND HALF SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

A1. BASIS OF PREPARATION

The unaudited interim financial statements of TT Vision Holdings Berhad (“**TTVHB**” or the “**Company**”) and its subsidiaries, TT Vision Technologies Sdn Bhd (“**TTV**”) and TT Innovation Centre Sdn Bhd (“**TTI**”) (collectively, the “**Group**”) are prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRSs**”) 134 : *Interim Financial Reporting* and as well as Rule 6.12 and Appendix 6A of the LEAP Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

The acquisitions of TTV and TTI by TTVHB were completed on 18 December 2018 and hence the Group is only in place from that date onwards. This is the second interim financial report on the consolidated result for the financial period ended (“**FPE**”) 31 December 2019 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The accounting policies and methods of computation adopted by the Group in this unaudited financial report are consistent with those adopted in the annual financial statements of the Group. This interim financial report should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended (“**FY**”) 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

A2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Group in the interim financial report are consistent with those adopted in the audited financial statements for the FY 31 December 2018, except for the adoption of the following new and revised MFRSs, Amendments to MFRSs and IC interpretations.

MFRS, Amendments to MFRSs and IC Interpretation effective for financial periods beginning on or after 1 January 2019:-

MFRS 16 Leases

Amendments to MFRS 9	Financial Instruments: Prepayment Features with Negative Compensation
Amendments to MFRS 119	Post-employment Benefits: Defined Benefits Plans
Amendments to MFRS 128*	Investments in Associates and Joint Ventures: Long-term Interest in Associates and Joint Ventures
Amendments to MFRS 3*	Business Combinations
Amendments to MFRS 11*	Joint Arrangements
Amendment to MFRS 112*	Income Taxes
Amendment to MFRS 123*	Borrowing Costs
IC Interpretation 23*	Uncertainty Over Income Tax Treatments

*Annual improvements to MFRS Standards 2015 – 2017 Cycle

The initial application of the abovementioned standards and amendments do not have any material impacts to the current and prior periods financial statements upon their first adoption.

Amendments to References to the Conceptual Framework on MFRS Standards effective 1 January 2020:-

Amendments to MFRS 3 Business Combinations

Amendments to MFRS 101 Presentation of Financial Statements

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

Amendments to MFRS 134 Interim Financial Reporting

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

Amendments to MFRS 138 Intangible Assets

Amendments to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

Amendments to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

MFRS effective 1 January 2021:-

MFRS 17 Insurance Contracts

Amendments to MFRS 1 First-time Adoption of MFRSs

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 15 Revenue from Contracts with customers

Amendments to MFRS 107 Statements of Cash Flows

Amendments to MFRS 116 Property, Plant and Equipment

Amendments to MFRS 132 Financial instruments: Presentation

Amendments to MFRS 136 Impairment of Assets

Amendments to MFRS 140 Investment Property

Amendments to MFRSs - effective date deferred indefinitely:-

MFRS 10 and 128 Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The Group is in the process of assessing the impact of implementing these Standards and Amendments to the Standards, since the effects would only be observable for the future financial year

A3. SEASONAL OR CYCLICAL FACTORS

Our Group operates within the semiconductor manufacturing equipment industry, a part of the larger umbrella of the industrial automation. Our group performance moderately depends on the outlook and cyclical nature of the semiconductor and electronics industry.

A4. UNUSUAL ITEMS

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual during the current period under review.

A5. MATERIAL CHANGES IN ESTIMATES

There were no material changes in accounting estimates during the current financial period.

A6. DEBT AND EQUITY SECURITIES

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current period under review.

A7. SEGMENTAL INFORMATION

The Group's revenue based on its activities is presented as follows:-

<i>Revenue by Business Activities</i>	Individual 6 Months Ended			Cumulative 12 Months Ended		
	31-12-2019		31-12-2018	31-12-2019		31-12-2018
	RM'000	%	RM' 000	RM' 000	%	RM' 000
Manufacture of machine vision equipment	3,449	67	N/A	17,779	86	N/A
Other related products and services	1,711	33	N/A	2,881	14	N/A
Total	5,160	100	N/A	20,660	100	N/A

N/A – Not applicable

The breakdown of the Group's revenue by geographical markets, based on the billing country, for the period under review are as follows:-

<i>Revenue by Geographical Markets</i>	Individual 6 Months Ended			Cumulative 12 Months Ended		
	31-12-2019		31-12-2018	31-12-2019		31-12-2018
	RM'000	%	RM' 000	RM' 000	%	RM' 000
Malaysia	1,387	27	N/A	16,562	80	N/A
Foreign Countries	3,773	73	N/A	4,098	20	N/A
Total	5,160	100	N/A	20,660	100	N/A

N/A – Not applicable

A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD UNDER REVIEW

There are no material events subsequent to the end of the current financial period under review.

A9. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current financial period.

A10. CHANGES IN CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no contingent assets and contingent liabilities as at the date of this financial report.

A11. CAPITAL COMMITMENTS

There were no material capital commitments contracted but not provided for relating to property, plant and equipment as at the end of the financial period.

PART B – EXPLANATORY NOTES REQUIRED UNDER THE LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

FPE 31 December 2019

The Group registered revenue of RM5.16 million mainly contributed by the manufacture of machine vision equipments and incurred loss before taxation of RM5.04 million during the current period under review. This is mainly due to the low revenue as a result of the global challenging market condition and further more our major customer's capital expenditures were being deferred due to continuing weakness of the automotive, general lighting and mobile device markets, international trade disputes and overstocking. Besides, the group additionally provided for impairment on the slow moving inventory of RM0.43 million and recorded RM0.69 million bad debts written off.

Revenue from the manufacture of machine vision equipment segment consists of approximately 40% of sales of solar inspection and sorting equipment, related parts and services. Approximately 54% was contributed by the sales of discrete component, IC inspection equipment and optoelectronics inspection equipment, related parts and services. The balance of approximately 6% of sales was contributed by the sales of vision guided robotic equipment, related parts and services.

Included in the other income of RM0.28 million were mainly RM0.16 million of government grant income. Administrative expenses of RM3.80 million comprised of RM0.69 million bad debts written off, RM0.36 million one-off expenses relating to corporate brandings, exhibitions and related expenses, staff welfare and new office expenses.

B2. PROSPECTS

As disclosed in Section 4.14 of the Information Memorandum of the Company dated 28 December 2018, the Group has embarked on various business strategies and expansion plans including the following areas:-

- Construction of new manufacturing facility which has been duly completed in July 2019 and certificate of completion and compliance was obtained in January 2020.
- Strengthening of the research and development centre to keep abreast with new developments in technology as well as to develop new/enhanced products to meet customers' requirement.

In view of the prospect of a tech cycle upturn and rebound amid the US-China phase one trade deal, the Group long-term prospects remain intact. However, the short term risk related to the global supply chain due the Covid-19 outbreak caused uncertainties on the performance of semiconductor players. The Board of Directors of the Group is watchful on the implementation of the business plans and is cautiously optimistic on the business prospects of the Group's financial performance for the financial year ending 31 December 2020.

B3. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

PART C: OTHER INFORMATION

C1. STATUS OF CORPORATE PROPOSALS

On 25 April 2019, 40,000,000 new ordinary shares of the Company were allotted to sophisticated investors who fall within Part 1 of Schedule 7 of the Capital Markets and Services Act 2007 at an issue price of RM0.18 per ordinary share.

Subsequently, on 9 May 2019, the Company's entire enlarged issued share capital of RM41,550,000 comprising 383,500,000 ordinary shares were listed on the LEAP Market of Bursa Securities ("Listing").

Save for Listing, there were no corporate proposals announced but pending completion as at the date of this report.

C2. UTILISATION OF PROCEEDS

The status of the utilisation of proceeds of RM7.20 million from the Listing is as follows:

	Description	Timeframe for Utilisation Upon Listing	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)
(a)	Construction of new manufacturing facility	Within 12 months	5,000	(5,000)	-
(b)	Working capital	Within 12 months	1,000	(1,000)	-
(c)	Estimated listing expenses	Immediate	1,200	(1,200)	-
	Total gross proceeds		7,200	(7,200)	-

The above utilisation was as at 31 December 2019 and should be read in conjunction with the Information Memorandum of the Company dated 28 December 2018.

C3. MATERIAL LITIGATION

The Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

C4. DIVIDEND PROPOSED

There were no dividends proposed by the Board of Directors of the Company for the current period under review.